

local community for their great efforts in making this event so memorable and for spreading the aloha spirit.

Mr. President, we ask our colleagues to join us in recognition of this momentous occasion.●

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 10:10 a.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 1147. An act to prevent tobacco smuggling, to ensure the collection of all tobacco taxes, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore (Mr. BYRD).

At 11:35 a.m., a message from the House of Representatives, delivered by Mrs. Cole, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1769. An act to expand the Alpine Lakes Wilderness in the State of Washington, to designate the Middle Fork Snoqualmie River and Pratt River as wild and scenic rivers, and for other purposes.

H.R. 3509. An act to reauthorize State agricultural mediation programs under title V of the Agricultural Credit Act of 1987.

H.R. 3542. An act to direct the Architect of the Capitol to fly the flag of a State over the Capitol each year on the anniversary of the date of the State's admission to the Union.

H.R. 4214. An act to designate the facility of the United States Postal Service located at 45300 Portola Avenue in Palm Desert, California, as the "Roy Wilson Post Office".

H.R. 4252. An act to direct the Secretary of the Interior to conduct a study of water resources in the Rialto-Colton Basin in the State of California, and for other purposes.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 3509. An act to reauthorize State agricultural mediation programs under title V of the Agricultural Credit Act of 1987; to the Committee on Agriculture, Nutrition, and Forestry.

H.R. 3542. An act to direct the Architect of the Capitol to fly the flag of a State over the Capitol each year on the anniversary of the date of the State's admission to the Union; to the Committee on Rules and Administration.

H.R. 4214. An act to designate the facility of the United States Postal Service located at 45300 Portola Avenue in Palm Desert, California, as the "Roy Wilson Post Office"; to the Committee on Homeland Security and Governmental Affairs.

H.R. 4252. An act to direct the Secretary of the Interior to conduct a study of water resources in the Rialto-Colton Basin in the State of California, and for other purposes; to the Committee on Energy and Natural Resources.

MEASURES PLACED ON THE CALENDAR

The following bills were read the second time, and placed on the calendar:

S. 3143. A bill to provide that Members of Congress shall not receive a pay increase until the annual Federal budget deficit is eliminated.

H.R. 4851. An act to provide a temporary extension of certain programs, and for other purposes.

H.R. 4853. An act to amend the Internal Revenue Code of 1986 to extend the funding and expenditure authority of the Airport and Airway Trust Fund, to amend title 49, United States Code, to extend authorizations for the airport improvement program, and for other purposes.

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 1769. An act to expand the Alpine Lakes Wilderness in the State of Washington, to designate the Middle Fork Snoqualmie River and Pratt River as wild and scenic rivers, and for other purposes.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-91. A resolution adopted by the Senate of the Commonwealth of Puerto Rico urging the Federal Deposit Insurance Corporation (FDIC) to show temperance in the application of asset valuation rules to minority-owned banks established in Puerto Rico, to establish effective measures so as to expedite the granting of credit, and to help local banks in their financial recovery and capitalization; to the Committee on Banking, Housing, and Urban Affairs.

SENATE RESOLUTION NO. 860

During the last year, the finances of a significant number of banking institutions around the world were severely impacted as a result of the worldwide economic crisis. Puerto Rico was not the exception in this serious and complex financial problem. We see more often news reporting such problems and governments assessing financial proposals and alternatives to provide mechanisms so as to address and stop the loss suffered by this sector, as well as strengthening their economies by promoting and revitalizing banking activities. Certainly, success in the recovery of the global economy lies in achieving the delicate balance between the needs and rules of the different economies, their applicability to consumers, and their implementation by the regulating bodies of such governments.

The press in Puerto Rico recently published data furnished by the Federal Deposit Insurance Corporation, known as the FDIC, reporting that as of September 30, 2009, local banks maintained a diminishing trend by reporting a reduction in their total assets equal to 9%, and a net loss, as of such date, of approximately \$147 million. They also reported on the efforts made by the Administration of Governor Luis Fortuño to reach financing agreements that would allow the Government of Puerto Rico to purchase assets from domestic banks through the "Troubled Asset Relief Program" (TARP) in order for them to lower their loan-in-default reserves and grant new loans.

The importance of the Banking Industry in the economy of Puerto Rico is unquestionable. Banks in Puerto Rico generate over 15,000 direct jobs and countless indirect jobs by financing the business activity in Puerto Rico. Furthermore, in the beginning of this decade, banks were major taxpayers into the treasury of Puerto Rico, with taxes over \$200 million. In light of the difficult financial sit-

uation faced by banks, the FDIC has decided to establish stringent regulatory examinations that contravene the public policy of President Barack Obama and Governor Luis Fortuño of reactivating and making regional and national economies feasible. Specifically, in times requiring that temperance be shown in the valuation of assets, the FDIC, through its examiners, is suggesting proposals whose effect would be detrimental to the value of assets used as collateral for loans in the banks of Puerto Rico. This could entail significant increases in the loan reserve of financial institutions in Puerto Rico and a potential reduction on the net worth of domestic banks. Therefore, this would cause a reduction in the lending and economic activity in Puerto Rico.

It is necessary to mention that, according to FDIC data, most banks in Puerto Rico are among the top twenty largest minority-owned banks of the Nation. For example, Banco Popular of Puerto Rico holds the first position; First Bank of Puerto Rico holds the second position; Westernbank of Puerto Rico holds the third position; R-G Premier Bank of Puerto Rico holds the eighth position; and Eurobank holds the thirteenth position, respectively.

As in Puerto Rico, this issue has been experienced at the national level, as recently stated by Congressman Barney Frank, Representative for the 4th congressional district of the State of Massachusetts and Chairman of the House Financial Services Committee, in a letter addressed to the members of the Federal Reserve System, the Office of the Comptroller of the Currency, the Office of the Thrift Supervision, the Federal Deposit Insurance Corporation, and the National Credit Union Administration. In said letter, Congressman Frank calls on them to show temperance in the application of the rules that govern national banks and urges federal regulating entities to take into account safety and soundness standards established by them.

Said official also recognized that one of the challenges currently faced by national banks is how to respond to the call from the United States Congress to stimulate the national economy by establishing measures so as to promote lending activities and to work with troubled borrowers facing foreclosure proceedings, while dealing with the directives from federal government regulators. It has been proven on different occasions that the construction and execution of these regulatory standards do not allow for the expected market stimulus, since the same are counter to the message of Congress. Such has been the case when regulatory agencies representatives have intervened with community banks, such as those of Puerto Rico, requiring compliance with even more stringent directives in the banking industry, which preclude banks from recovering their assets promptly and efficiently.

On the other hand, on October 30, 2009, federal regulators established a new policy on commercial loan restructuring. The new policy establishes, among other things, temperance and prudence in the decision-making process regarding loan restructuring, the timely identification of losses, and the proper classification of loans. The new policy establishes that the classification of a loan should not be based solely on the fact that the value of the collateral has declined, in absence of other adverse factors. Loan restructurings are generally in the best interest of both the banking institutions and the borrowers. Furthermore, the new policy establishes that examiners should give a reasonable amount of deference to collateral valuation assumptions when these are made by qualified appraisers or banking institutions. This practice by the FDIC is not consistent with the principles of this new policy.